



Liability Insurance Renewal Briefing

Outline of Presentation

- Review of Liability Insurance Coverage
- Insurance Premium Factors
- Premium Re-Cap
- Renewal Coverage Process
- Expiring Premium 2010-2011
- Renewal Issues 2011-2012

Liability Insurance Coverage

Coverage	Description of Exposure Covered
Law Enforcement	Police operations
Public Officials	Wrongful acts of Port employees
Employment Practices	Wrongful acts of Port with respect to employees
Non-Aviation	Non-aviation operations
Aviation	Airport operations only
Auto	Automobile liability (Above what is self insured)

Liability Insurance Coverage

Coverage	Description of Exposure Covered
Fiduciary	Liability of managing employee benefit plans
Foreign	Port employees who are in foreign countries
Crime	Dishonest acts of Port employees
Vessel	Police boat and other owned vessels
Bonds	Self-insured pension bonds, notary bonds, custom bonds, etc.....
Excess Workers Compensation	Do not purchase at this time, getting quote.

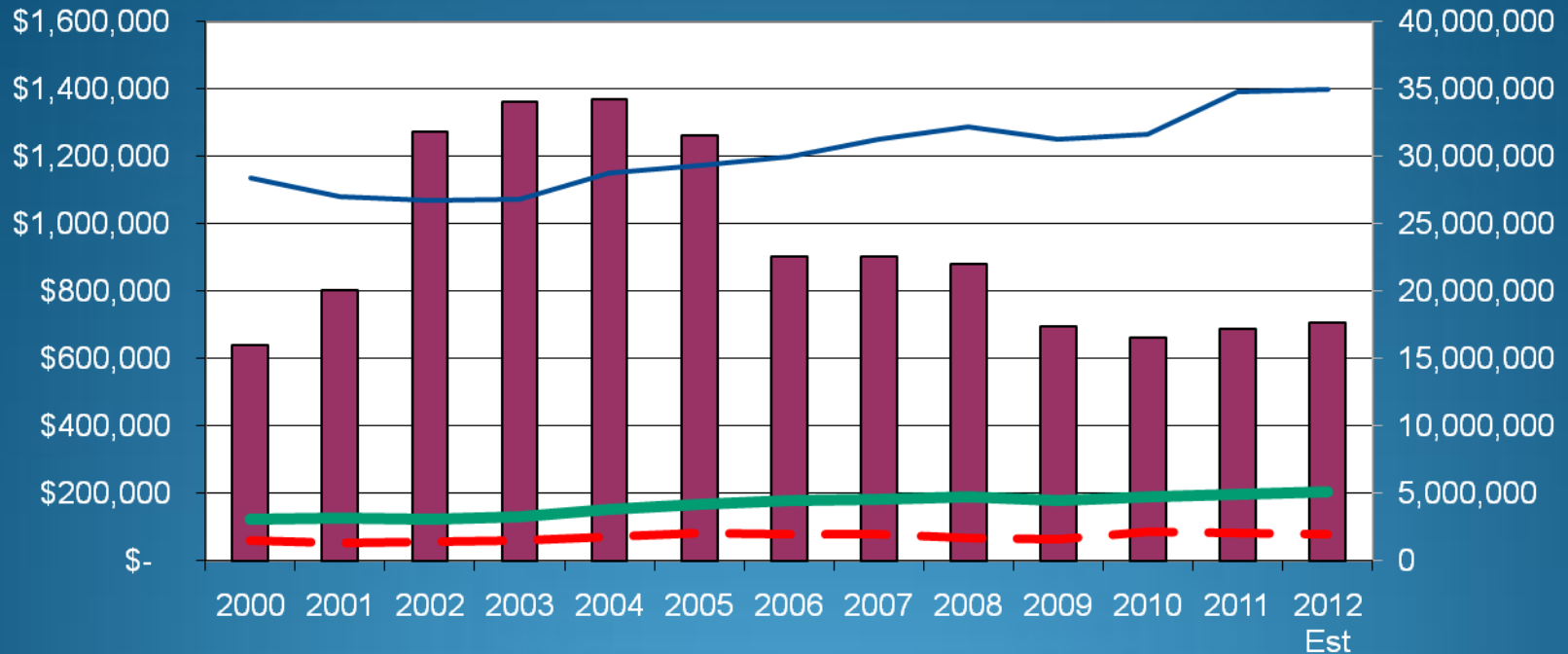
Insurance Premium Factors

- Total operating-capital budget/payroll of Port
- Past losses and claims and audit reports/findings
- Strength of our indemnity agreements with tenants
- Indemnity/transfer in construction contracts
- Operations directly controlled by Port versus tenant controlled operations

Insurance Premium Factors

- Size of automobile fleet and how utilized
- Interlocal agreements
- Number of employees and location concentration
- Airport enplanements, Seaport TEUs, Rail link
- Insurance markets
- External events
- Amount of Port's deductible
- Special coverage requests

Liability Premium Re-Cap



■ Liability Insurance Cost
 — Passengers Sea-Tac
 - - - TEUs Seaport
 — Revenue x 10



Renewal Coverage Process

- Coverage will run 10/1/2011 to 9/30/2012
- Risk management department networks with other port and airport entities to check current limits, deductibles, and coverage offered in the marketplace.
- Update of operations, and current claims and litigation.
- Port submits renewal information to the Port's broker, who markets the account and solicits insurance bids and coverage on the Port's behalf.
- Risk management reviews insurance proposals and discusses issues/costs with Division management prior to binding coverage.

Expiring Premium: 2010-2011

Coverage Line 10/1/2010-9/30/2011	Limits	Deductible	Expiring Premium
Non-Aviation	\$50 Million	\$1,000,000	\$407,000
Airport	\$300 Million	\$50,000	\$222,000
Police	\$10 Million	\$1,000,000	Included in Non-Aviation
Auto	Self –Insured First Million	Self-Insured	No Premium – Self insured 2010 Claims ~ \$13,000
Public Officials and Employment Practices	\$10 Million	\$1,000,000	Included in Non-Aviation
Other Coverage -Crime, Fiduciary, Foreign, Bonds	Varies	Varies	\$61,000
			Total = \$690,000

Coverage Issues For 2011-2012

(To Be Finalized In Discussion With Divisions prior to 10/1/2011)

- Terrorism
 - Purchase for non-aviation liability policies
- Airport Limits
 - Keep at \$300 Million (looking at \$500 Million)
- Ramp Insurance at Airport
 - Continue to purchase for ramp control vendor
- Excess Worker Compensation
 - To receive quote; would add \$350,000 in premium
 - Has not been insured for past six years

Operational Issues 2011-2012

(To Be Reviewed In Discussion With Divisions prior to 10/1/2011)

- Real Estate Division
 - Eastside Rail Corridor operating volumes should not be significant enough to impact premium
 - Maintenance of East Marginal Way Grade Separation
- Aviation Division
 - Landside Busing Operations – Coverage for operations between terminal and RCF/Bus Maintenance Facilities
- Renewal Estimate~ \$700,000 to \$1,050,000